

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

JAN 12 10 26 AM '01

POSTAL RATE AND FEE CHANGES

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R2000-1
(Remand Phase)

**NOTICE OF MAJOR MAILERS ASSOCIATION
OF FILING OF LIBRARY REFERENCE**

Major Mailers Association ("MMA") hereby gives notice that it is filing the following Category 2 Library Reference: MMA-LR-4, entitled "Revenue Impact Of Various Proposals To Change The First-Class Additional Ounce Rate." This material shows the derivation of various revenue impact figures used in the "Comments Of Major Mailers Association Regarding Issues On Remand From The Board Of Governors," which is being filed with the Commission this date.

Respectfully submitted,

Major Mailers Association

By:

Michael W. Hall / [Signature]

Michael W. Hall
34693 Bloomfield Road
Round Hill, Virginia 20141
540-554-8880
Counsel for
Major Mailers Association

Dated: Round Hill, VA
January 12, 2001

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing notice upon all parties to this proceeding, in compliance with Rule 12 of the Commission's Rules of Practice.

Dated this 12th day of January 2001.

Michael W. Hall / [Signature]

Michael W. Hall

MMA-LR-4
Derivation of Revenue Impact
of Various Rate Proposals

Revenue Impact of Various Proposals to Change the First-Class Additional Ounce Rate
(\$ 000's)

Proposal	Revenue Increase	Reduced Revenue for Extending Heavy Discount
PRC Recommended Rates (34/21)	0	0
1. Increase additional ounce rate to 22 cents (34/22)	\$226,495	-
2. Increase additional ounce rate to 23 cents (34/23)	\$452,989	-
3. (34/22) but extend heavy discount to auto and presort letters only	\$173,162	(\$53,333)
4. (34/23) but extend heavy discount to auto and presort letters only	\$399,656	(\$53,333)

Source: REVENUE COMPUTATIONS Worksheet, page 2

First-Class Revenue Based On Various Additional Ounce Rate Assumptions

First-Class Regular Rate	Units	PRC Rec Rates		34/22		34/23		34/22*		34/23*	
		Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue
First Ounce	52,439,254	0.34	17,829,346	0.34	17,829,346	0.34	17,829,346	0.34	17,829,346	0.34	17,829,346
Additional Ounces	19,952,919	0.21	4,190,113	0.22	4,389,642	0.23	4,589,171	0.22	4,389,642	0.23	4,589,171
Rev Adj Factor	1.009320										
Total Revenue			22,224,681		22,426,070		22,627,458		22,426,070		22,627,458
Presort											
First Ounce	2,478,209	0.32	793,027	0.32	793,027	0.32	793,027	0.32	793,027	0.32	793,027
Additional Ounces	483,392	0.21	101,512	0.22	106,346	0.23	111,180	0.22	106,346	0.23	111,180
Heavy Pieces 3+	127,539	(0.046)	(5,867)	(0.046)	(5,867)	(0.046)	(5,867)	(0.046)	(5,867)	(0.046)	(5,867)
Heavy Pieces 1-2	126,639	0	-	0	-	0	-	(0.046)	(5,825)	(0.046)	(5,825)
Rev Adj Factor	1.004903										
Total Revenue			893,030		897,887		902,745		892,033		896,891
Automation Letters											
First Ounce	44,479,878		11,726,457		11,726,457		11,726,457		11,726,457		11,726,457
Additional Ounces	1,233,532	0.21	259,042	0.22	271,377	0.23	283,712	0.22	271,377	0.23	283,712
Heavy Pieces 3+	94,426	(0.046)	(4,344)	(0.046)	(4,344)	(0.046)	(4,344)	(0.046)	(4,344)	(0.046)	(4,344)
Heavy Pieces 1-2	1,031,684	0	-	0	-	0	-	(0.046)	(47,457)	(0.046)	(47,457)
Rev Adj Factor	1.000390										
Total Revenue			11,985,828		11,998,168		12,010,508		11,950,692		11,963,032
Automation Flats											
First Ounce	362,204		11,344,009		11,344,009		11,344,009		11,344,009		11,344,009
Additional Ounces	790,494	0.21	166,004	0.22	173,909	0.23	181,814	0.22	173,909	0.23	181,814
Heavy Pieces 3+	153,669	(0.046)	(7,069)	(0.046)	(7,069)	(0.046)	(7,069)	(0.046)	(7,069)	(0.046)	(7,069)
Heavy Pieces 1-2	160,199	0	-	0	-	0	-	(0.046)	(7,369)	(0.046)	(7,369)
Rev Adj Factor	1.000390										
Total Revenue			11,507,430		11,515,338		11,523,246		11,507,966		11,515,874
Total Revenue			46,610,968		46,837,463		47,063,957		46,776,761		47,003,255
Revenue Increase:					226,495		452,989				
Revenue Increase if heavy weight discount extended to auto and presorted letters only:									173,162		399,656

*Assumes that 4.6 cent heavy weight discount is extended to all presort and automation mail between 1 and 2 ounces

Derivation of First-Class Presorted Test Year Billing Determinants Reconciled to the PRC Opinion

First-Class Presort Mail Category	(1)	(2) Weight bracket		(3)	(4)	
	0 to 1	1 to 2	3 to 11+	Total		
(1) Presorted letters & flats	2,224,031 [14]	126,639 [15]	127,539 [1]	2,478,209 [1]		
(2) Add'l ounces purchased		126,639 [16]	356,753 [17]	483,392 [1]		
(3) Automated letters	43,353,768 [10]	1,031,684 [11]	94,426 [1]	44,479,878 [1]		
(4) Add'l ounces purchased		1,031,684 [18]	201,848 [19]	1,233,532 [1]		
(5) Automated flats	48,336 [12]	160,199 [13]	153,669 [1]	362,204 [1]		
(6) add'l ounces purchased		160,199 [20]	630,295 [21]	790,494 [1]		
(7) Total Pieces	45,626,135 [8]	1,318,522 [9]	375,634 [2]	47,320,291 [2]		
(8) Total Additional Ounces		1,318,522 [3]	1,188,896 [3]	2,507,418 [3]		
(9) USPS presorted & automation letters	45,273,201 [4]	1,019,019 [4]	156,948 [4]	46,449,168 [5]		
(10) Add'l ounces purchased		1,019,019	342,719	1,361,738 [4]		
(11) USPS presorted & automation flats	78,231 [4]	193,104 [4]	314,885 [4]	586,220 [5]		
(12) Add'l ounces purchased		193,104	1,067,413	1,260,518 [4]		
(13) USPS Total Pieces	45,351,432 [6]	1,212,124 [6]	471,832 [6]	47,035,388 [6]		
(14) USPS Total Add'l Ounces		1,212,124 [7]	1,410,132 [7]	2,622,256 [7]		

- [1] PRC OPINION DATA Spreadsheet, page 4
- [2] Line (1) + Line (3) + Line (5)
- [3] Line (2) + Line (4) + Line (6)
- [4] USPS-LR-I-91 DATA Spreadsheet, page 5
- [5] Col (1) + Col (2) + Col (3)
- [6] Line (9) + Line (11)
- [7] Line (10) + Line (12)
- [8] Ratio based on Line (13)
- [9] Remaining pieces from Line (7)
- [10] Ratio based on Line (9)
- [11] Remaining pieces from Line (9)

- [12] Ratio based on Line (11)
- [13] Remaining pieces from Line (11)
- [14] Remaining pieces from Col (1)
- [15] Remaining pieces from Col (2)
- [16] Equal to Line (1)
- [17] Remaining Add'l Ounces from Line (2)
- [18] Equal to Line (3)
- [19] Remaining Add'l Ounces from Line (4)
- [20] Equal to Line (5)
- [21] Remaining Add'l Ounces from Line (6)

Summary of PRC First-Class Presorted Billing Determinants
(000's)

<u>First-Class Presorted Letters</u>	(1) <u>1st Ounce Units</u>	(2) <u>Additional Ounces</u>	(3) <u>Heavy Pieces</u>
Non-Automation	2,478,209	483,392	127,539
Automation Letters			
Basic	5,666,123		
3-Digit	24,795,323		
5-Digit	12,444,571		
Carrier Route	1,573,861		
Total Automation Letters	44,479,878	1,233,532	94,426
Automation Flats			
Basic	53,099		
3-Digit	33,692		
5-Digit	275,413		
Total Automation Flats	362,204	790,494	153,669
Grand Total	47,320,291	2,507,418	375,634

(1) - (3) PRC Opinion, Docket No. R00-1, Appendix G, Schedule 2, page 2

USPS Test Year Presorted Letters and Automation Letters

USPS Test Year Automation Letters

Weight Bracket	0 to 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11+	Total	2 - 11+
# of Add'l Oz Purchased	0	1	2	3	4	5	6	7	8	9	10		
Presorted letters	45,273,201	1,019,019	134,854	18,173	2,286	1,168	198	68	40	86	76	46,449,168	156,948
Add'l ounces purchased	-	1,019,019	269,708	54,518	9,145	5,839	1,190	473	318	771	759	1,361,738	

Source: USPS-LR-91, Presort Letters (Detailed) Spreadsheet

USPS Test Year Automation Flats

Weight Bracket	0 to 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11+	Total	2 - 11+
# of Add'l Oz Purchased	0	1	2	3	4	5	6	7	8	9	10		
Automated Flats	78,231	193,104	171,350	48,329	21,461	25,238	13,411	10,776	11,721	7,961	4,637	586,220	314,885
Add'l ounces purchased	-	193,104	342,700	144,986	85,845	126,191	80,466	75,432	93,771	71,649	46,374	1,260,518	

Source: USPS-LR-91, Presort Flats (Detailed) Spreadsheet